

Public sector accounting reforms: a discourse analysis perspective.

Bringing the Gattopardo back to life?¹

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¹ Il Gattopardo (i.e. the Leopard) is a novel written by Giuseppe Tomasi di Lampedusa that chronicles the society's changes happening in Sicily during the IX century (the so called Risorgimento). The novel became famous for one of the author's quotes "*They will foist a republic on us. If we want things to stay as they are, things will have to change*".

Introduction

Public sector reforms have been said to be particularly influenced by specific national traditions and political cultures. An increasing number of studies deal with the phenomenon of homogeneity and convergence of reforms (for example, Brunsson, 1989; Pollitt, 2001, 2006; Knill, 2001; Page, 2003; Christensen and Lægreid, 2001, 2003, 2007; Pollitt and Bouckaert, 2004; Schnapp, 2004, Kickert, 2005; Olsen 2006; Bouckaert, 2007; Gualmini, 2008). Such studies draw attention to a variety of contextual factors that structure the way in which countries organize their administrations (Meyer and Hammerschmid, 2010). Reforms are not isolated events, but they are embedded in and shaped by more general discourses of modernisation put through by the institutional pressures present in a certain field, such as the public sector (Scott, 1995; Friedland and Alford, 1991; Lounsbury, 2008; Meyer and Hammerschmid, 2006). Public sector accounting reforms can also be studied, then, in terms of the underlying discourses and arguments put forth in order to implement the change.

Our paper aims to better understand how public sector accounting reforms developed and shaped over the last decades. In particular, we focus on how the different discourses and their related arguments were put forth in order to support or hamper the proposal and the implementation of accounting change. Moreover, we investigate the extent of the coexistence of multiple discourses in the field at the same time. In order to do so, we take into consideration the case of the Italian Central Government to investigate the accounting reforms that took place from the Eighties, when the major changes started. The following Section presents a first literature review on the theme, followed by the discussion on the methods and the presentation of the preliminary results of the analysis. Finally, the last Section draws some conclusions and proposes further research steps.

Literature Review

Public sector reforms have been said to be particularly influenced by specific national traditions and political cultures. In particular, an increasing number of studies deal with the phenomenon of homogeneity and convergence of reforms (for example, Brunsson, 1989; Pollitt, 2001, 2006; Knill, 2001; Page, 2003; Christensen and Lægreid, 2001, 2003, 2007; Pollitt and Bouckaert, 2004; Schnapp, 2004, Kickert, 2005; Olsen 2006; Bouckaert, 2007; Gualmini, 2008). Such studies draw attention to a variety of contextual factors that structure the way in which countries organize their administrations (Meyer and Hammerschmid, 2010).

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A discourse represents the way in which individuals explain themselves and their actions. It underlies mechanisms of control and coordination, frameworks for building and maintaining order within and across a certain organization (Morgan and Sturdy, 2000: 18). At specific points in time, when accounting reforms are decided, the way in which their pros and cons are discussed, the rhetoric and accounts used to promote or oppose them, and the specific perspectives actors assume, can be linked to a predominant reform discourse (Fisher, 1995, 2003; Hajer, 1995, 2003; Fairlough, 1992; Skelcher et al., 2005). With reference to accounting systems, in particular, topics, such as accrual and cost accounting, were on the public sector reform agenda already before the New Public Management (NPM) ideas appeared (Pollit and Bouckaert, 2004; Meyer and Hammerschmid, 2006; Skelcher et al., 2005). Equally, it's likely they will continue to be relevant in a post-NPM era. NPM has sometimes been viewed as a rather "transitory state in the evolution" (Osborne, 2010:1) from the regimes of traditional Public Administration (PA) to the new Public Governance (GOV). PA was the dominant approach from the late 19th century to the early 1980s (Osborne, 2010). It was dominated by the "rule of law", the central role of bureaucracy in making and implementing policy, and the use of incremental budgeting. Politics and administration were clearly separated, and hegemony of professionals could be found in public service delivery (Hood, 1991).

NPM, and the related discourse and ideas, has been recognized to dominate from the late 1980s to the beginning 2000 (Pollit and Bouckaert, 2004; Meyer and Hammerschmid, 2006; Skelcher et al., 2005). NPM is a convenient, though a rather loose, term that is shorthand for a set of broadly similar administrative doctrines that have dominated the reform agenda in the public sector in many OECD countries. This is evidenced by, among other things, the increasing adoption of private sector managerial techniques, the development of market mechanisms and the break-up of large units of government into smaller quasi-autonomous units. It has often been presented as 'the rise of a global social movement with considerable

force' (Meyer, 1998, p. 7) and a quasi-global paradigm superseding the traditional 'old' public administration logic (Hood, 1991; Dunleavy and Hood, 1994; Hughes, 1994). Accrual accounting and budgeting, as well as cost accounting, can be seen as elements of this discourse. They are, indeed, meant to serve as means to implement output-orientation, output budgeting, product management in the public sector (Vogel, 2009). They are linked to a broader discourse on modernisation that materialized in various arenas, such as the media, the political arena and the professional debate. Many governments embracing NPM ideas have adopted the accruals basis of accounting since it's claimed to support better-informed decisions (when compared with the traditional cash-based system) on the balance between current and capital expenditure, taking into account the opportunity cost of capital and its consumption over time (Chan, 2003; Likierman, 2003). Despite the articulated benefits of accruals accounting, however, an increasing body of literature has criticised its adoption by public organisations on both theoretical and practical grounds (Guthrie, 1998; Schillit, 2002; OECD, 2001). This has raised different positions, suggesting the takeover of NPM itself.

As a reaction to both the traditional and the NPM models, as failures unable "to capture the complex reality of the design, delivery and management of public services in the twenty-first century" (Osborne, 2010: 5), there has lately been a new call for a more sophisticated understanding of the implementation of public policies and the delivery of public services. To this aim, GOV ideas have been introduced, where the focus shifts to the necessary existence of both a plural State (where multiple interdependent actors contribute to the delivery of public services) and a pluralist State (considering multiple processes to inform policy-making – Osborne, 2010; Marsh and Rhodes, 1992; Börzel, 1997; Klijn and Koppenjan, 2000; Peters, 2008; Salamon, 2002, Lynn et al., 2001; Milward and Provan, 2003; Frederickson, 1999). By acknowledging an increasingly fragmented and uncertain nature of public management, GOV focuses on inter-actors relationships with an emphasis on trust control mechanisms and service processes and outcomes. Hence, the focus of accounting techniques has moved more and more towards the reassurance of social efficiency and effectiveness (i.e. citizens' needs satisfaction and indicators of policy outputs and outcomes).

Although PA, NPM and GOV can be identified as three different discourses, they have not been investigated through the lenses of discourse analysis, especially as far as public sector accounting reforms are concerned. The categorization of the three discourses, on the opposite, can serve as a heuristic and analytical tool, although it represents a simplification of

reality where elements of each discourse can coexist with each other or overlap. We can, indeed, expect that these three predominant reform discourses will be all present in the field under analysis. The aim of our analysis is to provide a better understanding of how public sector accounting reforms developed and shaped over the last decades. In particular, we focus on how the different discourses and their related arguments were put forth in order to support or hamper the proposal and the implementation of accounting change. Moreover, we investigate the extent of the coexistence of multiple discourses in the field at the same time. In order to do so, we take into consideration the case of the Italian Central Government to investigate the accounting reforms that took place from the Eighties, when the major changes started.

The Italian reforms: a national background

In Italy the Central Government budgeting and reporting have been traditionally cash- and commitment-based. Their main purpose was to ensure budgetary compliance and control over expenditures. The first structured accounting regulation for the Italian Kingdom dates back to 1923. Subsequent modifications followed in 1964 and 1978 introducing a consistent framework for the accounting documents comprising now the Budget, the Three-year Budget, and the Financial Law.

One of the major accounting reform was carried out in 1988 (with the law 362), when a new document was introduced with the aim to cope with the shortcomings deriving from the traditional bureaucratic system: the Economic and Financial Plan (EFP), which included the resources that the public sector drew from the private sector; and the distribution of wealth made available. This aimed to lower the binding strength of single law bills, while programming and setting clear financial objectives over the 3 year period of the long-term budget (Clemente, 1992). Also nowadays the EFP finds its realization in the annual Budget Law (prepared in June) and the associated measures and to be implemented in the annual and multiyear budgets (presented in September). According to this framework, the annual budget decisions arrive as a consequence of a series of legislative and non-legislative acts generally defined as public-finance documents (the economic/financial programming document, the forecast report, the law approving the forecast budget, the Budget Law, the finance-related laws, the State Budget and the Internal Stability Pact).

In 1997 another law (no. 94) introduced for the first time new managerial principles related to the reform process that was taking place all over the world in the same period, and going under the name of NPM. The need to augment budget data with further economic elements to make public-finance decisions more meaningful led to reform of the State accounting and budget systems by introducing accrual and cost accounting tools.

First of all, two distinct functions were recognized to the budget: one political and one managerial. As a consequence, its structure was simplified and revised. To political aims, indeed, chapters were aggregated into broader budgetary items, binding under political decisions. Chapters were left for managerial purposes of administrative offices only. The traditional budget became more flexible and clear (Collevocchio, 2004). The budget structure itself was modified. Revenues were kept into Titles and then budgetary items, going down (for managerial purposes only) to categories and chapters. Expenditures were revised mirroring Ministries' structures. In particular, according to the different services and administrative responsibilities, expenditures were classified on the basis of homogeneous areas of activity and objective-functions (i.e. each Ministry's area of mission). The new taxonomy then comprised: objective-functions related to the Ministry, budgetary items (further divided into current and capital. Current items can be for functioning or intervention). After this level, again, there were chapters for administrative purposes.

1997 represents a turning point also for the introduction (paralleling the traditional budgetary system) of the cost and accrual accounting systems. The cost accounting system required: (i) the introduction of new procedures to carry out the processes; (ii) the adaptation of the structures in order to manage the new information flows; (iii) the adoption of the appropriate instruments for measuring and entering information. In particular, they identified cost and responsibility centres in each Ministry, consistently with the objective-functions identified above for the general system. Cost accounting items were directly related to efficiency and effectiveness indicators identified by each Ministry. The new and the old accounting systems could rely on integrated bases, where the various adjustments and conversions were highlighted. Costs were recorded by cost centres, nature, and destination/function. Through documents called Preliminary Notes, each Ministry started proposing its own objectives and related resources, plus the indicators to measure their results. On these bases, the accrual budget is still issued. It is brought to the Parliament's attention, but it represents a mere informative support. It's still the traditional cash- and obligation-based budget the one that

must be approved by law. The accrual budget goes through three specific phases: (i) proposed budget, where Ministries account for their financial and human resources needs, (ii) presented budget, with the updated financial figures, (iii) definite budget, where objectives are reconsidered and adjusted to costs. The first economic budget was issued in 2000.

As a consequence of such changes, also the role of the old financial reporting changed. In particular, together with the old cash- and commitment-based financial reporting, also the accrual financial statement is now prepared. The final aim is to shift the focus from the traditional control on expenditure compliance to non-financial results.

The first wave of managerial reform brought plenty of innovation, but could not solve all the problems of the old legacy. In particular (Collevocchio, 2004): (i) the budgeting process was still relying on incremental logics, rather than actual evaluations, (ii) the budget passed by the Parliament still presented more than 1500 items, (iii) the long term orientation was unclear and could not be retrieved from the existing documents, (iv) there was an excessive presence of ex-ante controls, (v) there was a weak information technology structure backing the new systems, and (vi) little attention was paid to non financial results and outcomes.

As a consequence of these shortcomings, in 2007 (through the “Circolare 21”) the traditional budget structure was modified again. The previous one, indeed, didn’t allow identifying clear actions and responsibilities on resources and put in place a very weak monitoring and assessment of policy results. The cash- and commitment-based budget was thus reorganized (rather than on administrative responsibilities) on missions and programmes. 34 missions (i.e. the main functions and pursued strategic objectives) define now the new political structure of the budget. Every mission could be under the responsibility of one or more Ministries. Missions were realized through programmes (currently 168), which were areas or homogeneous activities (for functioning, intervention or investment) for the achievement of specific objectives. Each programme identified priorities, resources and objectives. They summarised an outcome or output and unfolds on different cost centres and the related resources (they found here a link with the previous structure and the administrative chapters). Missions, in particular, were identified according to the fourth level of COFOG (Classification of the functions of the government), while programmes were revised to comply with the third level of COFOG detail. As a consequence, also the cost accounting system was partially revised. The chart of accounts was further detailed until a third level of specification concerning inventories and outsources services. Costs were now recorded by

nature, centre, mission and programme and are mirrored in the accrual budget. The latter, in particular, also displayed information on costs by destination (organizational structures, missions and programmes, responsibility centres) and nature. In parallel, both the overall organizational structure and the centres changed and an annual spending review to assess the actual Ministries' needs was set in order to overcome the incremental approach. This new approach was further strengthened in 2009 (law 196), when the commitment-based budgeting was abandoned in favour of a two-year experimentation drawing on cash only.

Methods

Kickert (2005) argues that different historical-institutional backgrounds of European States affect the form and content of their administrative reforms and that, as a consequence, considerably different trajectories among them can be observed. Italy can be placed among the countries with Southern European administrative traditions (Hammerschmid and Meyer 2010; Pollitt and Bouckaert, 2004; Kickert; 2008).

This study focuses on the accounting changes carried out by the Italian Central Government from the end of the Eighties to nowadays. Italy has usually been considered a slow adopter of NPM-style reforms (Hood, 1995; Flynn and Strehl, 1996; Pollitt and Bouckaert, 2004; Hood, 1991; Dunleavy and Hood, 1994; Hughes, 1994; Osborne, 2001; Marsh and Rhodes, 1992; Börzel, 1997; Klijn and Koppenjan, 2000; Peters, 2008; Salamon, 2002, Lynn et al., 2001; Milward and Provan, 2003; Frederickson, 1999). In particular, Hood (1995) defines Italy as a medium-intensity adopter that started its reforms as a consequence of a severe financial and political crisis (resulting from a lack of citizens' confidence in the political-administrative system). Moreover, being a civil-law country, Italy has always relied on laws and administrative acts to adopt new reforms (Panozzo, 1998). It thus constitutes an interest case of analysis of how a traditionally Public Administration-oriented system struggled to introduce new accounting tools and reforms.

The analysis investigates the reform discourses present from the late 1980s on and the arguments put forth to sustain/oppose their adoption at the national level. In order to investigate how the different discourses and their related arguments were put forth to support the proposal and the implementation of accounting changes and the extent of the coexistence of multiple discourses at the same time, we analysed documents covering the period from the

late 1980s up to present days. 1980s represent the starting point of the main accounting reforms.

Pilot interviews with relevant governmental actors were arranged in order to identify the documents concerning the accounting reform (law, commentaries transcripts, etc.) over the considered period and to mark those to be considered as the major turning point in the different reform periods. This increased the research validity. In Italy, in particular, there have been three main reform periods (1988, 1997 and 2009). The official documents analysed for the study were collected from the institutional website of the two chambers, the Chamber of Deputies and the Senate. For each reform period, we considered the laws, the commentary to the law (typically called “Circolari”) and the Decree law issued by the Government in order to implement the law. In addition, for each law, we coded all the discussion transcripts of the two Chambers and the related Committees, for a total of 41 documents.

In the governmental context, discourses are not seen simply as representations or reactions of external events or problems confronting governmental actors themselves (Stenson and Watt, 1999). The content and texture, the formal and rhetorical characteristics of texts can relate to one or more discourse together and highlight the possible emerging tensions across them (Fairclough, 1995). The analysis of documents pertaining changes in Central Government’s accounting systems is particularly suitable for investigating the replacement or layering of different discourses. To this research purpose, following a textual analysis approach (Fairclough, 2003), official documents and transcripts concerning the change in accounting systems were coded in order to understand what discourses and arguments shaped the public reforms and how. Official documents can be, indeed, considered as incorporating linguistic texts and the social practices and socio-cultural contexts in which they are embedded (Foucault, 1972). Moreover, the original transcripts of political and administrative discussions represent an arena for the main actors to put forth their ideas and arguments in support or against a certain change. Discourses represent the way in which individuals explain themselves and their actions. They underlie the mechanisms of control and coordination, the framework for building and maintaining order within and across a certain organization (Morgan and Sturdy, 2000: 18). They finally enable actors to support a certain idea or state of the word and even exert their power (Foucault, 1980, 1982).

The discourses to be investigated were initially identified drawing on existing literature, where the characteristics that characterize PA, NPM and GOV are discussed (Pollit and

Bouckaert, 2004; Meyer and Hammerschmid, 2006; Dunleavy and Hood, 1994; Hughes, 1994; Osborne, 2001; Marsh and Rhodes, 1992; Börzel, 1997; Klijn and Koppenjan, 2000; Peters, 2008; Salamon, 2002, Milward and Provan, 2003). For each of the three discourses three possible codes were defined: in favour, against or neutral (when the topic was linked to the discourse, but not supporting or hindering it), respectively coded as PA/NPM/GOV 1, PA/NPM/GOV 2 and PA/NPM/GOV 0. Consequently, always drawing on the relevant literature, a list of representing keywords was identified and agreed for each discourse as shown in the Appendix.

The unit of analysis can consist of words, sentences, paragraphs, pages. We adopted the paragraph, which represents “a collection of meaningful sentences” (Guthrie et al., 2003: 10). The keywords were initially used to identify the relevant paragraphs to be coded. Each paragraph containing one or more keywords was then read in length in order to assign the proper code (for each paragraph multiple codes were allowed). The researcher assessed whether the keyword related to a certain discourse was actually used to support or against its arguments. For instance:

“If we eliminate from the Financial Law part of these substantial norms, making them flow into annexes instead, we do not actually change anything from the past” (Transcript from the first Senate discussion, Law 362/1988), Keyword: norm, Code: PA1

“The Law number 94, April 3 1997 has the aim to place the Central Government’s Budget reform in the broader wave of modernization and rationalization of the public sector and of simplification of administrative procedures” (Circolare 32/1999, commentary to the Law 94/1997), Keyword: procedure, Code: PA2

“We thus create the Authority responsible for Public Accounts Transparency, which operates in full autonomy and independence with the task of supporting and preserve public finance transparency and quality of information” (Transcript from the Senate’s Committee discussion on Law 1962009, 26th May 2009), Keyword: autonomy, Code: NPM1

For the main documents quoted in the Italian reform and signalled during the pilot interviews, the whole document was read again in length at the end of the first round of coding in order to make sure that expressions with similar meaning were considered as well. As a consequence of this process, the emergent code “reform” was also identified whenever the

need for a structural change or a reform (associated with PA, NPM or Governance arguments) in accounting systems emerged (see the Appendix).

The main problem common to all textual analysis approaches, discourse analysis as well as content analyses in general, is the need of demonstrating the reliability of the tools used to collect and codify data and the consequent validity and replicability of inferences drawn from such data (Milne and Adler, 1999). In such research, reliability involves stability (ability of a person to code data the same way over time), reproducibility (extent to which coding is the same when multiple coders are involved), accuracy (depending on the assessment of coding performance against a predetermined standard set by a panel of experts, or known from previous experiments and studies, Krippendorff, 1980: 130-2). As far as reliability is concerned, it can be demonstrated by the use of multiple coders, the low number of discrepancies between the coders and the re-analysis and solution of discrepancies when existing, or alternatively, by the use of a single coder with sufficient period of training. The cost of multiple coders can be reduced by assessing the reliability of particular tools and methods across data sets and coders. To this research purpose, the tool used was Atlas.ti. It allowed researchers to assign, share and update codes simultaneously, as well as assign multiple codes to the same paragraph creating networks of analysis and tables of correlations across them. Codes and categories were defined on the basis of the relevant literature, well specified decision categories and rules were defined, multiple coders were used and discrepancies between the coders were re-examined. All researchers were involved in the coding. In order to increase the internal and face validity, documents were coded separately by a researcher and the analysis reviewed afterward by all the researchers together until the assigned codes were agreed.

Results and discussion

Figure 1 shows the evolution of the three main blocks of codes (PA, NPM and GOV) over the analysed period. The number of codes, in particular, has been “normalised” for the number of relevant documents issued in a specific year. In 1988, when the first big reform started, the prevailing arguments used in order to describe the budgeting and accounting processes were all related to the traditional Public Administration discourse. In particular, there was a prevalence of arguments supporting the traditional system or re-proposing its logics in a

neutral way (i.e. without expressing a specific judgement on their functioning and effectiveness). For instance:

*“We are all aware of the importance of the last revision of the budget, from which the final report stems and which identifies the establishments of amounts receivables and the amounts to be paid. It thus prescribes a series of requirements to be complied with for next year's budgeting procedures, especially for the preparation of the Economic and Financial Plan. I thus recommend to the Chamber the approval of my amendment...”*² (PA1, First discussion of the Chamber of Deputies, 1988)

Insert Figure 1 here

Only a very few sections of the 1988 documents were highlighting arguments against the use of current bureaucratic accounting tools:

“Mr President, the 1978 law that we are going to reform was born when in the Parliament there was a widespread idea that there was no interest in discussing the budget. Ample was the sensation of complete impotence: the budget was a mere document for recording actions already taken. The French defined this situation as the "three Ls" process of budgeting, liturgie, litanie, léthargie, and thus it had to be reformed. As a consequence, the law has aimed at giving back to budgets a minimum of accessibility, flexibility, decisional capability” (PA2, First discussion of the Senate, 1988)

Table 1 shows the co-occurrence rate across the different codes normalized by the number of documents for that year. The most frequently concurrent codes were PA1 and PA0, followed by PA1 with NPM0. Reference to a need for reforming the accounting tools in line with the traditional PA model was made 21.67 times per document. Managerial changes were instead suggested 30 times per document. For instance:

² The authors would like to stress that the ideas and expressions quoted in the paper do not represent their personal views on accounting systems, their reforms and... Italian syntax. The authors tried to give a translation which was as adherent as possible to the original Italian text.

“The recovery of public finances, the identification of specific responsibilities to the appointed Committees and the clarification of the decision-making times concerned with public expenditure are the core reasons for a reform that – we must say immediately – does not have the aim of an epoch-making change, it’s not the reform of the XXI century, but it is the most possible and necessary reform, here and now, to face this stage of public finance management” (NPM+Reform, First discussion of the Chamber of Deputies, 1988)

The traditional discourse prevailed also in 1997, where the co-occurrence rates per document were considerably lower than 9 years before (see Table 2). In particular, there was an increase in the number of codes overlapping on paragraphs related to both PA and NPM arguments (29.56 per document overall). The reform argument appeared on average 21.56 times per document (10.94 times in relation to the PA discourse and 10.62 times to the NPM one). In 1999 the PA discourse gave pace to the new NPM arguments, when a peak in ideas supporting the managerial reforms (or neutrally describing them) could be identified:

“Managers are allocated tasks concerning direction, management, spending, organization and control. They are responsible for administrative activities, management and results” (NPM1, Circolare 32, 1999)

“... The total cost of each item (inventories and expenses) as above calculated is referred to the relevant cost centre” (NPM0, Circolare 32, 1999)

In this case, the Public Administration discourse was still present, but in the background. It is interesting to notice that topics related to the traditional model (such as the importance of complying with the law requirements and sticking to the formal administrative procedures, and the use of the word “bureaucrat”) were usually used to support or recall its long-lasting importance, rather than to criticise it. As a consequence, there were again only a very few sections using terms such as cash, expenditure or bureaucratic to go “against the PA model”. The shift towards a NPM discourse can be seen also from the codes co-occurrence (Table 3), where the highest rate was between the codes NPM1 and NPM0. The frequency among PA codes scored only 18 recurrences per document.

The NPM and the PA discourses tended to overlap in 2005, when a late commentary related to the 1997 law re-established the importance of cash-and commitment-bases, administrative

requirements and expenditure and its classification by function together with arguments in favour of the more managerial accounting tools. It has to be noted that this year presented only a very few rates of code co-occurrence, the highest being the one between PA0 and NPM1.

In 2009 and 2010 the PA arguments (favourable to the traditional model or neutral) overtook those in favour of the NPM discourse again. Surprisingly, over the 22 years analysed, Governance always represented the least important and marginal discourse. Topics such as accountability and network (the relatively most frequent), indeed, were scantily quoted and not always present in the documents. In 2009, in particular, 18.70 rates were related to the co-occurrence of the codes PA1 and PA0, while PA arguments crossed managerial ones 62.35 times per document on average.

From the above considerations, two main leaps of reform can be identified where the PA and the NPM discourses reciprocally swapped in 1999 and in 2009. In 1999 the reform concerned the implementation of the new cost and accrual accounting system previously passed in 1997. The main arguments of that period concerned “cost” (288 counts, representing 1.74% of the overall document words), “cost accounting” (185 counts, 1.05%), responsibility (109 counts, 0.66%), and budget (56 counts, 0.34%). The first effects of the reform in the Government’s everyday life and operation, and in the criteria they were using to take decisions, became thus visible.

In 2009 the wave of new reforms seemed to be forgotten in favour of a return to the old PA themes. In particular, the reform process went back to focus on cash-based accounting and aimed at shifting from the coexistence between the commitment- and cash-based systems to a mere cash-based accounting. As a consequence of this, as discussed above, the main topics of reform concerned again traditionally PA issues, such as “rules” (2751 counts, 0.93%), “cash” (334 counts, 0.12%) and “expenditure” (1289 counts, 0.48%). Looking at the evolution of the accounting reforms over time in Italy, however, more than a reversal in the reform, this evidence seems to suggest a long-lasting commitment of the Central Government to traditional PA ideas and accounting systems. This might be related to the central structure of the administration, where politicians turnover while administrators (especially those at the middle and low level) tend to remain in place over a much longer period of time. As a consequence, the PA discourse, which was prevailing before the Nineties, tends to reproduce itself, and is always present at the background of every accounting reform. Also when a

formal managerial change was required, then, there was little incentive to replace the old ideas, which were never really put under scrutiny, but rather reaffirmed under different shapes and expressions (e.g. “... *Accrual-accounting bookkeeping and outputs are used also to define the budget proposals, to better allocate resources, to plan financial activities, to monitor the financial impacts of budgetary changes and cost and legislative requirements in the areas for which the Administrations are responsible. They are used by the Administrations involved and by the Ministry of Treasure, to which data are communicated by the other Administrations – where possible via ICT evidence – through the responsible Accounting Offices*” – Decree law 279, 1997). The introduction of NPM tools and arguments, then, seems to be the condition for the old PA system to survive and reproduce itself, exactly as the novel “Il Gattopardo” already suggested two centuries ago: “*If we want things to stay as they are, things will have to change*”.

It is interesting to note that, during the twenty-two years under study, differences emerge between the political and the “technical/professional” arguments present in the reforms. In particular, the topics of the political discussion in the two Chambers and the Parliamentary Committees are less technical than those presented in the laws and related commentaries. Indeed, they tend to stress more the accounting reform impacts on general regulation and on public finance and related policies. Politicians get involved into technical issues only when they are required to vote on specific amendments to the law bill:

“Roberto Villetti (political party, Rinnovamento Italiano) advocates the opportunity to consider the creation of a permanent sub-Committee for the evaluation of the implications of public finance choices both during the budget discussion and other occasions throughout the year. This has to be done also from a regulatory point of view and taking into consideration the establishment of the European Union” (Second discussion, Chamber of Deputies’ Committee, 1997)

“...I think it is legitimate, thus, to consider this bill as a strength, an important piece of the Government’s programme, since it touches also the problems arising in the relationship between the Government and the Parliament, has found, though without constitutional changes, solutions consistent with the new scenarios left open by both the majoritarian electoral system and the institutional reforms we are currently examining. In short, the bill recognises a stronger Government’s role in terms of initiative and administration, and it

establishes a more incisive steering and control role for the Parliament” (First Senate’s discussion, 1997)

“The “Italietta” [little Italy] of the 1% [growth], we have to leave that behind our shoulders. To do so, a different approach to the crisis is necessary, different from the one used until now by the Berlusconi Government. Facts, analyses and respected interventions (from the president of the Entrepreneurs’ Union to the governor of the Bank of Italy) underline this: this Government wasn’t able to deal with the crisis” (First Senate’s discussion, 2009)

In the light of such a distance between the topics discussed by politicians and the actual technical reform presented in the documents and enacted, the findings suggest a strong role of the technical/administrative bodies in defining and translating the technical core of accounting reforms.

Insert Tables 1 – 6 here

Conclusions

Our paper aimed to provide a better understanding of how public sector accounting reforms developed and shaped over the last decades. In particular, we focused on how different reform discourses (PA, NPM and GOV) and their related arguments were put forth in order to support or hamper the proposal and the implementation of accounting change. We also investigated the extent of the coexistence of multiple discourses in the field at the same time. The discourse analysis of the accounting reforms taking place in the Italian Central Government over the last twenty-two years highlights a substantial stability of the PA argument, notwithstanding the multiple attempts of introducing more NPM-like accounting tools and ideas. The overall reform process analysed seems far from be linearly evolving toward a more managerial model, rather PA arguments still prevail throughout all the periods, with the exception of a NPM peak in 1999. This temporary change in focus might be strictly related to the introduction of specific systems (cost accounting and accrual budgeting), the relevance of which subsequently fades (again, in favour of discussions about the old cash-based accounting). In the Italian case, then, more than a replacement of ideas over time, there has been the sedimentation and layering of multiple discourses with a lasting predominance

of the traditional one. This suggests a bureaucratic interpretation and implementation also of the subsequent NPM and the GOV accounting reforms.

The analysis also highlights a vague political discussion, which only scraps the surface of the accounting issues at stake, while the definition of more technical and detailed aspects can be found only in the laws and the related commentaries. This suggests that technical and administrative bodies play a major role in defining the text of the laws (and their requirements) and translating vague proposals into accounting system designs.

This paper presents the preliminary results of the research. Further steps will involve a more in-depth discussion of the arguments presented to sustain or dismiss a specific discourse over time and their likely reasons. It will also extend the study by including different codes as emerging from the text analysis (e.g. European Union, financial stress, public sector specificities, etc.).

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Tables

Figure 1 - Discourse evolution (normalised by the number of documents)

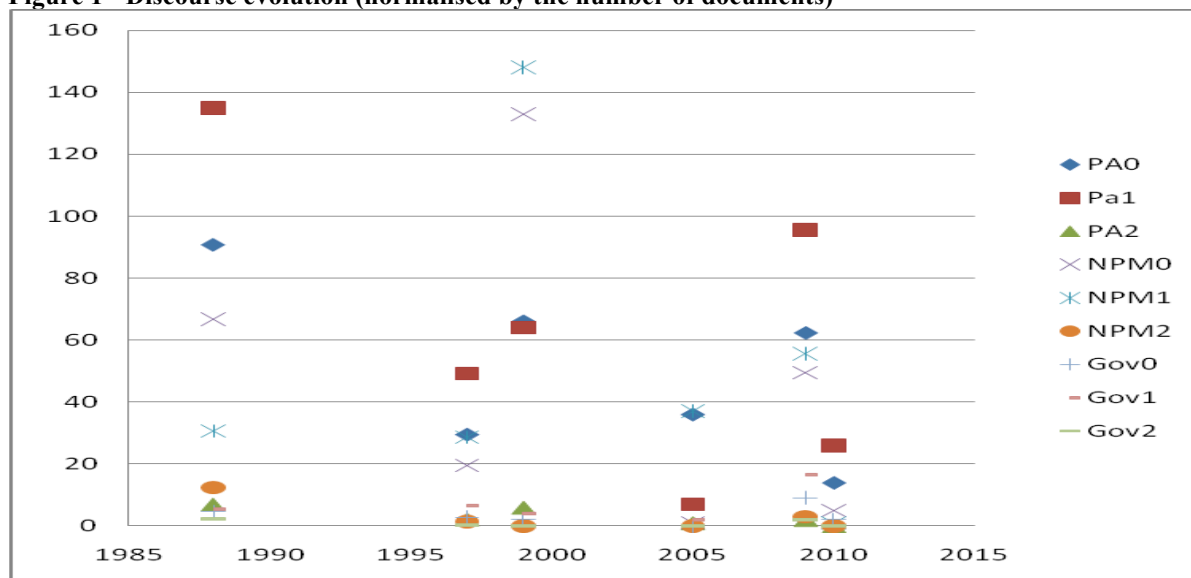


Table 1 - Co-occurrence rate normalized, 1988

1988	GOV0	GOV1	GOV2	NPM0	NPM1	NPM2	PA0	PA1	PA2
GOV0									
GOV1	0,33								
GOV2	0,00	0,00							
NPM0	1,00	1,33	0,33						
NPM1	0,33	2,00	0,33	3,67					
NPM2	0,00	0,00	0,00	1,00	1,00				
PA0	1,67	1,67	0,00	16,33	5,67	3,00			
PA1	1,67	1,67	1,00	20,33	4,67	2,33	21,67		
PA2	0,00	0,67	0,00	2,67	1,33	1,33	2,33	1,00	
reform	0,67	1,00	0,00	19,67	10,33	5,33	18,67	19,00	1,67

Table 2 - Co-occurrence rate normalized, 1997

1997	GOV0	GOV1	GOV2	NPM0	NPM1	NPM2	PA0	PA1	PA2
GOV0									
GOV1	0,06								
GOV2	0,00	0,00							

NPM0	0,94	1,75	0,06						
NPM1	0,69	2,69	0,06	5,44					
NPM2	0,06	0,19	0,00	0,13	0,31				
PA0	1,00	2,63	0,13	6,19	7,13	0,31			
PA1	1,56	3,13	0,00	7,81	8,44	0,56	8,94		
PA2	0,00	0,06	0,00	0,75	0,88	0,00	0,63	0,63	
reform	0,44	1,50	0,00	6,19	4,75	0,56	4,69	5,94	0,25

Table 3 - Co-occurrence rate normalized, 1999

1999	GOV0	GOV1	GOV2	NPM0	NPM1	NPM2	PA0	PA1	PA2
GOV0									
GOV1	0,00								
GOV2	0,00	0,00							
NPM0	2,00	1,00	0,00						
NPM1	1,00	3,00	0,00	50,00					
NPM2	0,00	0,00	0,00	0,00	0,00				
PA0	0,00	3,00	0,00	31,00	35,00	0,00			
PA1	0,00	1,00	0,00	35,00	38,00	0,00	18,00		
PA2	0,00	2,00	0,00	2,00	6,00	0,00	3,00	1,00	
reform	0,00	0,00	0,00	2,00	4,00	0,00	2,00	3,00	1,00

Table 4 - Co-occurrence rate normalized, 2005

2005	GOV0	GOV1	GOV2	NPM0	NPM1	NPM2	PA0	PA1	PA2
GOV0									
GOV1	0,00								
GOV2	0,00	0,00							
NPM0	0,00	1,00	0,00						
NPM1	0,00	2,00	0,00	1,00					
NPM2	0,00	0,00	0,00	0,00	0,00				
PA0	0,00	2,00	0,00	1,00	19,00	0,00			
PA1	0,00	0,00	0,00	0,00	4,00	0,00	5,00		

PA2	0,00	0,00	0,00	0,00	1,00	0,00	1,00	0,00	
reform	0,00	1,00	0,00	1,00	2,00	0,00	3,00	1,00	0,00

Table 5 - Co-occurrence rate normalized, 2009

2009	GOV0	GOV1	GOV2	NPM0	NPM1	NPM2	PA0	PA1	PA2
GOV0									
GOV1	1,29								
GOV2	0,12	0,35							
NPM0	3,12	6,53	1,00						
NPM1	2,94	6,82	0,53	10,71					
NPM2	0,29	0,41	0,35	1,06	0,71				
PA0	2,94	6,65	1,00	14,35	13,00	1,12			
PA1	4,18	7,18	0,82	17,71	17,29	1,12	18,71		
PA2	0,29	0,47	0,06	0,71	1,35	0,29	0,65	1,24	
reform	1,53	4,59	0,88	11,53	8,18	1,18	9,41	11,71	0,76

Table 6 - Co-occurrence rate normalized, 2010

2010	GOV0	GOV1	GOV2	NPM0	NPM1	NPM2	PA0	PA1	PA2
GOV0									
GOV1	0,00								
GOV2	0,00	0,00							
NPM0	2,00	0,00	0,00						
NPM1	0,00	0,00	0,00	0,00					
NPM2	0,00	0,00	0,00	0,00	0,00				
PA0	1,00	0,00	0,00	2,00	1,00	0,00			
PA1	1,00	0,00	0,00	3,00	1,00	0,00	7,00		
PA2	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	
reform	0,00	0,00	0,00	0,00	1,00	0,00	1,00	1,00	0,00